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C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 004420

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SUBJECT: HU JINTAO SPEECH SETS TONE FOR FALL PARTY CONGRESS

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[1](#)B. BEIJING 3608

Classified By: Acting Political Section Internal Unit Chief
Dan Kritenbrink. Reasons 1.4 (b/d).

Summary

[1](#)1. (C) In a June 25 speech at the Central Party School, President Hu Jintao provided a preview of the key themes likely to set the tone for the 17th Party Congress this fall.

While the speech breaks little new ground and lacks sufficient detail to know how it might translate into concrete action, contacts say it lays the basis for future ideological innovations and leaves the door open to political reform, including expanded inner-Party democracy. In an attempt to rein in debate over the direction of reform, the speech takes a slap at criticism from both sides of the spectrum, including Marxist critics of market reforms on the left and liberals calling for more rapid political change on the right. The need to battle corruption within the Party is another key theme of the speech. Hu's remarks signal a further consolidation of his ideological authority and impending elevation of his thought at the Congress. End Summary.

Setting the Tone for the Congress

[1](#)2. (C) President Hu Jintao's June 25 speech (Ref A), presented at a Central Party School graduation ceremony attended by the full Central Committee, provided a preview of key themes likely to set the tone for the 17th Party Congress this fall. In fact, according to Professor Yang Yusheng of the Chinese University of Politics and Law (strictly protect), the speech is essentially a "preview" of the Political Report that Hu will present to the Congress. (Note: Hu's speech follows the example of his predecessor, Jiang Zemin, whose Party School speeches prior to the last two Party Congresses proved to be precursors of the Political Reports he later presented. End Note.)

[1](#)3. (C) In his remarks, Hu made clear the Party's continuing commitment to market reforms and economic development, by declaring that "socialism with Chinese characteristics" would remain the "banner of development and progress," code words for the pragmatic pursuit of a market economy championed by former paramount leader Deng Xiaoping. Hu also made a number of references to political reform, calling for pressing forward with "political structural reform," and developing "socialist democracy," including expanding "orderly" political participation and "grass roots democracy," while simultaneously upholding the leadership of the Party. He also called for enhancing inner-Party democracy. The need to battle against corruption, which Hu described as a "protracted, complicated, and arduous ... struggle," was

another major focus of the speech.

14. (C) The June 25 speech signals the impending consolidation of Hu's ideological authority and indicates that his doctrines such as the "scientific development concept" and "social harmony" will get a formal boost at the Congress. While Hu's theoretical concepts will almost certainly be enshrined as the Party's guide in the area of development, the speech does not make clear whether his thought will achieve equal status with his predecessors as the Party's overall "guiding ideology."

Holding the Middle Ground

15. (C) Contacts thus far have reacted cautiously to the speech, emphasizing that it breaks little new ground and lacks sufficient detail to know how it might translate into concrete action. The speech appears designed in part to undercut pressure on Hu from orthodox Marxist critics hoping to curtail market reforms, while simultaneously dampening expectations from liberal-minded Party theorists calling for more rapid political reform, according to Fang Jinyu (strictly protect), veteran bureau chief for the Guangdong Party Committee paper Southern Daily. Fang told Poloff that Hu was "driving down a middle path," trying to protect his flanks, while still providing ideological cover for political reform at some future date. Moreover, the speech's reference to "socialist democracy" was intended to put to rest a debate that surfaced in PRC media earlier in the year over the merits of European style "democratic socialism" as well to as to put on hold a variety of other proposals on democratic reform aired by Party intellectuals (Ref B).

16. (C) While downplaying the prospect of some sort of

BEIJING 00004420 002 OF 002

theoretical breakthrough at the Congress that would herald significant reform, Fang nevertheless argued that the speech lays the groundwork for significant revision to the Party's interpretation of Marxism, which could eventually lead to significant political reform. Fang said he was struck by the fact that, in a listing of four priorities ("unchangeables") at the beginning of the speech, Hu ranked "emancipation of the mind" as his top priority, even above "reform and opening" and his own slogans of "scientific development and social harmony." "Emancipation of the mind" is a core Deng slogan signifying pragmatism and ideological manipulation. This language appears to signal a further move away from conventional Marxism in search of new justifications for changing the Leninist nature of the Party, Fang said.

Contacts Focus on Political Reform

17. (C) A number of contacts keyed in on the speech's reference to political reform, with most remaining pessimistic about its prospects. Well-connected freelance journalist Chen Jieren (strictly protect) argued that the speech was designed to give limited encouragement to liberals on political reform. Nevertheless, even if President Hu and Premier Wen Jiabao are true reformers, Chen was doubtful they had the muscle to push through meaningful changes. A "majority" of Party cadres are highly conservative, worried first and foremost about protecting their vested interests, meaning they will attempt to block anything that threatens their prerogatives, including political reform. Separately, Zhai Zhihai (strictly protect), retired PLA military officer and president of a local consulting company, was even more pessimistic, stating that the political climate was more open in the 1980s than today. "The prospect of real political reform died in 1989," he lamented, dismissing the speech as a propaganda ploy designed to convince the public why the Party "deserves" to be in power. In contrast, Yang Yusheng of the Chinese University of Politics and Law, in an attempt not to abandon all hope for some sort of political reform this fall,

thought that the speech's reference to expanded "grass roots" democracy might signal increased autonomy for civic organizations, including homeowners' associations, to operate in opposition to corrupt local governments and developers, which would be one kind of political reform, albeit extremely limited.

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